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Counsel to Receiver Sherwood
Partners Inc.

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE COMMISSION,	)	Case No. 3:16-cv-1386
Plaintiff,	)	RECEIVER'S
	)	ADMINISTRATIVE
v.	)	APPLICATION FOR AN
	)	ORDER PURSUANT TO
JOHN B. BIVONA; SADDLE RIVER	)	LOCAL RULE 7-11 FOR THE
ADVISERS, LLC; SRA	)	APPROVAL OF FEES FOR
MANAGEMENT ASSOCIATES, LLC;	)	THE PERIOD OCTOBER 11,
FRANK GREGORY MAZZOLA	)	2016 TO MARCH 31, 2017
Defendants.	)	FOR THE RECEIVER AND
	)	COUNSEL
	)	Date: N/A
	)	Time: N/A
	)	Judge: Edward M. Chen

I. Background

On October 11, 2016, this Honorable Court issued an Order of Appointment of Receiver ("the Order") and thereby appointed Sherwood Partners Inc. ("Sherwood") as Receiver in this matter. The Order also appointed John W. Cotton ("Cotton") of Gartenberg, Gelfand & Hayton LLP as Counsel to the Receiver. By this Administrative Application, Sherwood through its Senior Vice President Peter Hartheimer ("Hartheimer"), requests that this Court approve Sherwood's First Fee Application (the Application")

as well as that of its Counsel, for the time period October 11, 2016 to and including March 31, 2017. The Application consists of the Declaration of Peter Hartheimer, the time records and summary of Sherwood (Exhibits A and B to the Declaration of Hartheimer) the SEC's Standard Fund Accounting Record ("SFAR", Exhibit C to the Declaration of Hartheimer), and the Declaration of John W. Cotton with accompanying billing statements from his firm.¹ As required by LR 7-11, this Application is unopposed by the parties to this action, plaintiff SEC, and counsel for defendants John Bivona and SRA Advisers and defendant Frank Mazzola, *in pro per*.

II. The Fee Application of Sherwood

As the Declaration of Peter Hartheimer of Sherwood sets forth, the period for which it makes this first fee application is October 11, 2016 to March 31, 2017. Sherwood's total charge for time and disbursements in this Application is \$221,120.67. This represents a total of 519 hours, or 86.5 hours per month. Hartheimer Decl., at ¶ 3. Sherwood has applied a 15% reduction to its standard rate and has only used personnel appropriate to the level of work being undertaken. Hartheimer Decl., at ¶ 3. Hartheimer has personally reviewed all the time spent by Sherwood personnel on receivership tasks and has attested to the accuracy and appropriateness of the time billed and has set forth the major work categories in which time was spent. Hartheimer Decl., at ¶ 4. Finally, Hartheimer has prepared the

¹ Exhibit B to the Declaration of Hartheimer contains unilateral fact characterizations by Sherwood to which defendants reserve their right to object. Defendants and their counsel do not object to the amounts requested for the time spent.

1 required SEC “SFAR”, or Standard Fund Accounting Report for the period
2 covered by this Application. Hartheimer Decl., at ¶ 5.

3 **III. The Fee Application of Sherwood’s Counsel**

4 As the Declaration of John Cotton of Gartenberg Gelfand & Hayton
5 sets forth, the period for which it makes its first fee application is October
6 11, 2016 to March 31, 2017. Other than 2.6 hours spent by another
7 Gartenberg attorney in Cotton’s absence on vacation, all time spent on
8 Receivership legal matters was undertaken by Cotton alone. Gartenberg’s
9 total charge for time and disbursements in this Application is \$39,369.² This
10 represents a total of 92 hours, or 15 hours per month. Cotton Decl., at ¶ 3.
11 Gartenberg has applied a 15% reduction to its standard rate and has only
12 used personnel appropriate to the level of work being undertaken. Cotton
13 Decl., at ¶ 3. Cotton has personally reviewed all the time spent by
14 Gartenberg personnel on receivership tasks and has attested to the accuracy
15 and appropriateness of the time billed and has set forth the major work
16 categories in which time was spent. Cotton Decl., at ¶ ¶4 to 6.

17 **IV. Conclusion**

18 For the forgoing reasons, the Receiver and his counsel request that the
19 Court approve their First Fee Application by signing the attached Proposed
20 Order.
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26 ² This final amount includes a \$1,620 write-off for travel time on 11/18/16 to
27 a court hearing, requested by the SEC, and agreed to by the Gartenberg firm.
28 Cotton Decl. at ¶ 4.

1 Dated: July 13, 2017

GARTENBERG GELFAND HAYTON
LLP

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3 By: /s/ John W. Cotton

4 John W. Cotton
5 Counsel to the Receiver
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